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## Bolivia's Central Bank Bans Bitcoin

Pete Rizzo    

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NEWS

El Banco Central de Bolivia, the central bank of the South American nation, has officially banned any currency or coins not issued or regulated by the government, including bitcoin and a list of other cryptocurrencies including namecoin, peercoin, Quark, primecoin and feathercoin.

The official policy, launched on 6th May, has recently surfaced to garner coverage from Spanish-language news source [PanAm Post](#), and is the first announcement by the country's central bank on the subject of digital currency according to research from the [US Law Library of Congress](#).

A translation of the central bank statement reads:

*"It is illegal to use any kind of currency that is not issued and controlled by a government or an authorized entity."*

The bank went on to say that citizens are prohibited from denominating prices in any currency that is not previously approved by its national institutions.

Such a ban, the document states, is necessary to protect the boliviano, the country's national currency, and to safeguard users from the kind of uncontrolled currencies that can lead to the users losing their money.

The decision to fully ban bitcoin puts Bolivia in unique standing in the international community, as other nations previously believed to be embracing restrictive policies - including [China](#), [Thailand](#) and [Russia](#) - have since backed away from implementing similar measures.

### Bolivia stands alone

Bolivia's announcement is also unique within the context of decisions made by its South American neighbors. For example, earlier this March, a report suggested that The Superintendencia Financiera de Colombia (SFC), Colombia's central bank, may have been seeking to implement [a bitcoin ban](#).

However, despite worries from the local community, such fears did not come to pass. Colombia stopped short of the expected announcement, choosing instead to [bar banks](#) from working with digital currency companies.

Elsewhere in South America, central banks in Argentina and Brazil are permissive to digital currencies, according to analysis from [BitLegal](#).

### South America reacts

Notable members of South America's bitcoin community had varying reactions to the news.

Christian Nubis, chief product officer at recently launched Latin American exchange [Bitetx.la](#), suggested that the move would not have a substantial impact, as "Bolivia is not a leader in the region on matters of public policy".

s Sebastian Serrano, CEO of Argentina bitcoin merchant processor [BitPagos](#), lamented the fact that such an announcement will do little to startup community and prohibit bitcoin from helping those in the country who could benefit from economic freedom.

Serrano said:

"The news from Bolivia is very sad, especially considering it is one of the poorest countries in Latin America."



He added: "Hopefully, Bolivia will revert its decision in the future as bitcoin continues to prosper in the rest of the world."

Translations provided by Randy Brito.

Image via [Wikipedia](#)

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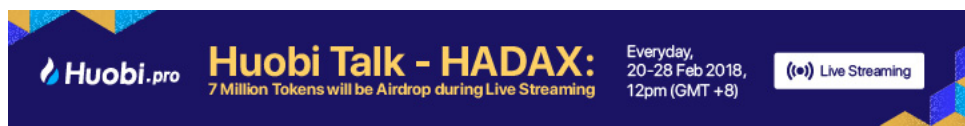
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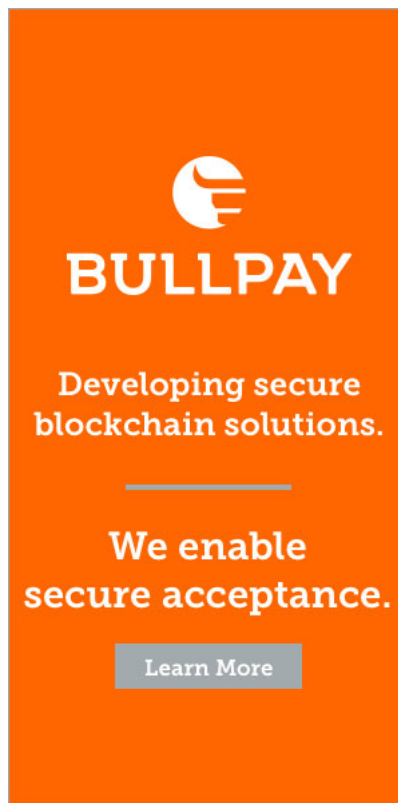
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